

April 27, 2012

To: Executive Board

Subject: **Proposed Silver Streak Promotional Fare Reduction**

---

### **Recommendation**

Recommend that the Governing Board authorize the Executive Director to conduct public hearings regarding the Proposed Silver Streak Promotional Fare Reduction.

### **Analysis**

In August of this year, the new El Monte Bus Station is scheduled to open and the new station will include an updated Foothill Transit *Store* and a completely revamped two-level bus terminal. As part of the opening of the new El Monte Station and *Store*, there is an opportunity for Foothill Transit and Metro to coordinate on the provision of seamless and truly regional “Silver Corridor” service whereby customers traveling between the El Monte Station and downtown Los Angeles would be able to board either a Foothill Transit or a Metro bus for a common fare, using either Foothill Transit’s or Metro’s fare media.

The Executive Board provided direction to present a proposed Silver Streak Promotion Fare Reduction that would more closely align Foothill Transit’s and Metro’s Silver Service as a service to customers in the San Gabriel and Pomona Valley by adding capacity, simplifying the fare structure and encouraging transit use.

This proposed promotional fare reduction would apply to customers using cash fares, Foothill Transit 31-Day passes, EZ-Transit Pass, and Metro Multi-Day Passes. The promotional fares are proposed to be in effect for one year from implementation with scheduled review periods in place. This proposal would also suspend Foothill Transit’s current Senior, Disabled and Medicare Cardholder off-peak discounted fare periods and allow those customers to utilize their discounts throughout the day at a reduced fare.

The following chart depicts the estimated annual revenue impact that a Silver Streak fare reduction would have on Foothill Transit assuming current ridership levels. It should be noted that it is quite likely that ridership on Foothill Transit service will increase with the implementation of this promotional fare reduction program and as such, these negative revenue impacts may be offset to some degree.

Executive Board Meeting – 4/27/12  
Proposed Silver Streak Promotional Fare Reduction  
Page 2

<b>Fare Type</b>	<b>Current</b>	<b>Proposed</b>	<b>Annual Revenue Impact</b>
<b>Cash</b>	\$2.75	Decrease fare to \$2.45	(\$230,000)
<b>Foothill Transit Passes</b>	Honored only on Foothill Transit buses	Honored on Foothill Transit buses and Metro Silver Line buses	n/a
<b>Metro Multi-day Transit Passes</b>	Honored only on Metro buses	Honored on Metro buses and Foothill Transit Silver Streak buses	n/a
<b>31-Day Foothill Transit Passes</b>	\$22.00 – \$170.00	Maintain pass prices Reduce upcharge costs	(\$10,500)
<b>EZ Transit Pass</b>	\$35.00 - \$194.00	Accept Zone 2 EZ Transit Pass at El Monte Station Westbound  Accept Zone 2 or 3 EZ Transit Pass from Downtown Los Angeles Eastbound	None
<b>EZ Transit Pass Upcharge</b>	\$1.50	Match upcharges depending on passes used	(\$60,300)
<b>Senior/Disabled/Medicare</b>	\$2.75	\$1.15 all day	(\$24,000)
<b>TOTAL</b>			<b>\$(324,800)</b>

Again, these figures do not take into account any additional riders that may utilize Foothill Transit Silver Streak service. However, Metro is currently operating at capacity on several of its trips while there is capacity on Foothill Transit. This could attract additional riders.

Executive Board Meeting – 4/27/12  
Proposed Silver Streak Promotional Fare Reduction  
Page 3

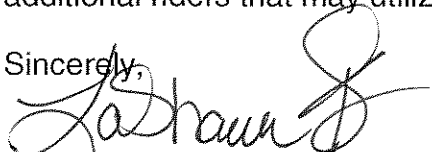
This proposal would modify the Silver Streak fare for one year. Ridership and revenue will be monitored monthly and Foothill Transit's administrative team members will meet with Metro staff on a quarterly basis with updates to the Foothill Transit Executive Board to review passenger bus loads on the Silver Streak and Silver Line and any net passenger and /or revenue gains or losses on both systems. Preliminary discussions with Metro are underway to include a provision in the MOU that should losses exceed \$250,000, Foothill Transit will be reimbursed.

Should this proposal be approved by the Executive Board, a Title VI Fare Equity Analysis will be completed. If authorized by the Governing Board, public meetings/hearings will be conducted in late May. Customers will also be able to comment on this proposal in writing and via email. All comments received will be evaluated prior to making a final recommendation regarding implementation of a promotional fare reduction.

**Fiscal Impact**

It is anticipated that the possible revenue loss resulting from this promotional program could be as high as \$324,800 annually. This figure does not take into account any additional riders that may utilize Foothill Transit Silver Streak service.

Sincerely,



LaShawn King Gillespie  
Director of Planning



Doran J. Barnes  
Executive Director